



15 May 2013

Sent by email

The Honorable Dave Camp, Chair  
Committee on Ways and Means  
United States House of Representatives  
Washington, DC 20515

The Honorable Fred Upton, Chair  
Committee on Energy and Commerce  
United States House of Representative  
Washington, DC 20515

**RE: SGR Repeal & Reform Proposal: Medicare Payment Locality Update**

Dear Chairmen Camp and Upton:

On behalf of the Santa Barbara County Medical Association, I am writing to urge you to include an update of the California Medicare payment localities in the Medicare SGR reform legislation. The outdated Medicare payment localities have created serious access to care problems in our County. Because Medicare has failed to update the physician payment localities, physicians in our county are underpaid by 5% each year. In Santa Barbara County alone, physicians have foregone \$74,496,063 in Medicare payments from 2001 to the present. In fact, Medicare still designates our County as rural!

This payment policy has created significant access to care problems in our County. The Medical Society office receives 10-15 calls every week from seniors who cannot find a physician who is accepting new Medicare patients.

We support the CALIFORNIA PILOT PROPOSAL forwarded by Congressmen Darrell Issa (R-San Diego) and Sam Farr (D-Santa Cruz/Monterey) and supported by the California Medical Association. The proposal would update the payment regions to Metropolitan Statistical Areas (MSAs) as recommended by the IOM, GAO and MedPAC. Medicare pays and organizes hospitals according to MSAs. And the MSAs are updated annually. It would hold the rural counties harmless from cuts for five years. The hold harmless is funded with California Medicaid savings in Alameda County so it does not impact the federal budget or any other state. After five years, the localities would revert back to the current locality configuration to avoid cuts to the rural physicians. At that time, Congress can assess the California pilot and reform the geographic payment system as step two in the overall Medicare SGR payment reform effort.

Thank you for your interest in this important issue. This proposal will help to address the significant access to care problems that seniors are facing throughout California.

Best Regards,

Ayesha Shaikh, M.D., President  
Santa Barbara County Medical Society